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Opening Statement
Of
The Honorable Doc Hastings
Before
Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
Oversight Hearing On FY 2011 Administration Budget for MMS, BLM, OSM, USGS, and
USFS
March 25, 2010

Mr. Chairman, thank you for rescheduling this important hearing to examine the budgets of agencies that have a direct impact on our domestic energy supply. As I'm sure you are aware, decreasing America's dependence on foreign energy is a priority of the America people. While I would like to think it is also a priority of this Administration, the President's FY 2011 budget paints an entirely different picture.

Since the start of the Obama Administration, the Department of Interior has seemingly done everything within its power to halt new American energy production. It has cancelled existing oil and gas leases, withdrawn oil shale research and development leases, proposed billion in taxes and fees on American energy production, and delayed new offshore drilling.

While the initial six-month delay of the 2010-2015 OCS leasing plan was troubling, Secretary Salazar's recent announcement of the new "Obama Moratorium" on offshore drilling until 2012 is completely unacceptable.

In August 2008, the American people were outraged as gas prices crept up over four dollars per gallon and the U.S. remained hostage to the international supply of oil and our own self-destructive energy policy. Congress and President Bush responded by lifting the Congressional and Executive moratoria on offshore drilling—providing access to 500 million additional acres of new energy production in the Outer Continental Shelf.

Unfortunately, the Obama Administration has squandered this opportunity by refusing to move forward right now with a leasing plan. And while the Administration drags its feet, gas prices are starting to once again climb higher.

But more expensive gas isn't the only price we will pay for this Administration's disregard for increasing our domestic energy supply. We're also losing out on the potential to create millions of American jobs.

A recent study by the National Association of Regulatory Utility Commissioners found that maintaining the current moratoria on both onshore and offshore energy production until 2030 will cause energy intensive industries to lose 13 million jobs.

Jobs losses and high energy prices are only the tip of the iceberg of the problems we will encounter if the "Obama Moratorium" remains status quo.

According to the same study, American crude oil production will decrease annually by 9.9 billion barrels and we will be relying on an additional 4.1 billion barrels of oil from OPEC to the tune of \$607 billion.

We cannot continue to play a game of national security chicken with dangerous foreign countries because we don't want to safely open up more of our own resources to energy production.

However, after all that I've said, you don't have to take my word that this Administration has no intention of opening up new areas for offshore drilling—the numbers are right there in the President's budget proposal. The President's FY 2011 budget anticipates that revenue from new OCS leasing will decline from \$1.5 billion in 2009 to only \$413 million in 2015. Now, either that means there will be a dramatic decline in the demand for oil, which isn't going to happen, or there is less revenue because there is less production.

The hostility to opening new areas of the OCS, coupled with the burdensome increases in taxes and regulations on the oil and gas industry necessarily mean less American energy production, and the President's budget numbers are the smoking gun.

With that in mind, I have in my hand a letter to Secretary Salazar, which he will be receiving later today, signed by 88 House Republicans, including Republican Leader John Boehner, asking him to immediately implement the 2010-2015 five- year lease plan, slated to begin in July of this year.

I hope the Secretary will take the letter into serious consideration and realize that this Administration can have a major impact on the economic future of this country—it's just up to them whether that impact will be positive and create jobs, or negative and harm our economy for decades.

Mr. Chairman, thank you again for holding this hearing and I look forward to hearing from the witnesses.